

The Role of HR in Performance Management

In their new book, Paul Sparrow and colleagues (Sparrow, Hird and Cooper, 2014) ask some fundamental questions about the role of the HR profession in modern organisations. One of the challenges the book raises focuses on the level of integration of HR within the business and whether the function has kept pace with the fluidity of business structure and process. Performance management represents one of the area which exemplifies these challenges very well –especially the challenge of ‘ownership’ and ‘stewardship’ over management processes which are designed and implemented with high levels of expert HR input but which are best executed by line managers who embrace the principles of PM and weave it into the fabric of their management style. This was an issue which Armstrong and Ward (2005) identified in their Work Foundation research almost a decade ago:

“The role of HR in performance management is a crucial one. They tend to be the people that are in charge of designing and reviewing systems, convincing boards of a new approach, implementing new processes, running workshops for managers and staff, providing advice and support materials to staff and managers and ensuring there is compliance with the system. However, they cannot be at every appraisal discussion, they can’t be ensuring that managers and employees have ‘quality’ conversations, and they have a limited ability to improve the capability and engagement of managers in managing performance. Often HR takes a more subservient approach, aiming to keep everyone happy by constantly tweaking the system and the process according to the feedback from staff and direction from senior management. It is less common that HR adopts the role of leader rather than follower and can draw upon expert knowledge of what works and what doesn’t according to experience and empirical research, and challenge and educate those around them. HR often has a ‘processy’, rather than strategic focus, they are there to make it all ‘work’, and are further hamstrung by the fact that the organisation often wants a performance management system to perform miracles, to create a new culture for example.” Armstrong & Ward, 2005.

One of the consequences of performance management being seen as an HR-owned process is that HR professionals run the risk of being corralled into a ‘policing’ or ‘compliance officer’ role. This can reinforce the view among some managers that PM is essentially an annoying part of the prevailing HR bureaucracy and that it gets in the way of delivering performance rather than being a helpful tool. As Wendy Hirsh and colleagues at IES (2008) discovered when they asked line managers what they wanted of the HR function in this context:

‘Managers recognise the need for frameworks of HR policies and processes, but think HR makes these more complex than necessary and changes them far too often. For example, they do not see yet another revision of the performance review forms as improving performance. They are looking to HR for really deep understanding of how to get the best out of people, and then practical support in achieving this’.(Hirsh et al, 2008).

In practice this means that HR should:

Promote ‘ownership’ of performance management by line managers.

This might mean allowing them to make minor adaptations to the way the processes are implemented (though not in a way which might compromise fairness or equity). Good managers often ‘cherry-pick’ imaginatively from the tools and processes that the organisation makes available to them to manage their people. HR should not have kittens if they find that some managers (especially those with high levels of morale, engagement and productivity) have bent the rules slightly to make things work for them;

Encourage integration and coherence.

Often line managers so busy delivering against their own objectives that they can fail to see that PM can be used in conjunction with other HR processes. From a business point of view it is HR's job to make sure that the design of PM, training & development, rewards, career development and promotion processes are all compatible and mutually beneficial. They should certainly not conflict with each other. If HR professionals can support managers to see the 'big picture' here, then PM has a better chance of having a real and sustained impact on performance.

Evaluate and adapt PM.

An important part of the process is the feedback 'loop'. In practice, it is only through the efforts and analysis of the HR function that the organisation will know which parts of PM are really working well, which need to be 'tweaked' and which need total re-engineering. Unless HR is performing a detached, evaluative role the PM can become a monolithic 'fixture' in the managerial calendar. PM needs to be agile and responsive to changing business needs, of course, but it also needs to be simple enough so that, once managers have got used to it, it does not change too frequently. In some ways, performance management –for better or worse –has become a metaphor for the challenges which the HR function face in building and maintaining its credibility in modern organisations. There are few things that CEOs and senior operational managers care about more than improving organisational performance. If HR can harness this interest and demonstrate that it can act as an important catalyst in creating a positive performance culture which delivers results, this will go a long way towards cementing the reputation of HR as adding value to the business. However, this has to be done in a way which delivers sustainable performance which balances the needs of the employees with those of the business. To quote Wendy Hirsh once more:

'...managers want an HR function with its finger on the pulse of what employees are feeling and how well they are working. Senior managers particularly look to the HR function to have an independent, and challenging, view of how to balance the interests of employees with the needs of the business. They recognise in themselves the temptation to put short-term management priorities ahead of sustaining positive relationships with the workforce. They need HR to help them strike the right balance. So an HR function that is seen as remote from the workforce loses much of its unique value to business leaders.' (Hirsh et al, 2008)

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